

ALAN B. MOLLOHAN
FIRST DISTRICT, WEST VIRGINIA

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April 16, 2010

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Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, Sw
Washington, DC 20554-0004

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Dear Chairman:

I am writing regarding the Federal Communications Commission's (FCC) review of the application by Verizon Communications Inc. (Verizon) to transfer 4.8 million land lines to Frontier Communications Corporation (Frontier). The transaction would result in the transfer of almost 600,000 lines in West Virginia, making Frontier the largest residential carrier in the state.

As you review the pending application, please know that I am deeply concerned about the impact of this transaction on the state of West Virginia. West Virginia is the only state for which the applicants seek to transfer control of almost every residential line in the state to one company. In fact, the Wall Street Journal reports that if this deal is successful, Frontier will control 98% of West Virginia's local-access lines. As such, I am extremely apprehensive about the potential ramifications of a market dominated by just one residential carrier. Additionally, it is not only the anti-competitive issues, but also the questionable track record of these types of spin-off deals that is troubling.

The outcome of previous sales of landlines to smaller carriers in Hawaii and northern New England is ominous. In those instances, the acquiring carriers' high debt load, coupled with service-disrupting integration problems, resulted in financial difficulties and ultimately led to bankruptcy. While evaluating the pending transaction, I encourage the Commission to confirm that a similar bankruptcy would not take place in West Virginia.

Furthermore, in light of the bankruptcies in Hawaii and northern New England, the carriers were unable to maintain and improve their networks. In fact, in northern New England, FairPoint is now requesting that it be relieved of the merger-related broadband commitments it made to state regulators. Clearly, imposing unworkable conditions on financially weak companies has not benefited consumers

Julius Genachowski

April 16, 2010

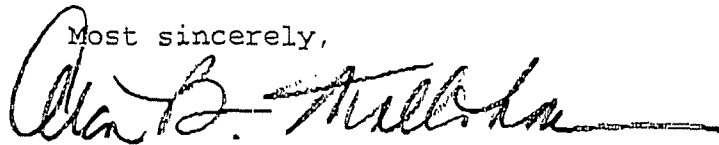
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and could likely seriously impair the services provided to thousands of West Virginians. Not to mention that if this transaction is approved, Verizon will utilize the Reverse Morris Trust tax loophole to avoid paying over \$600 million in tax liability.

Finally, I have concerns about the security of existing Verizon jobs should the transaction move forward. Approximately 2000 jobs - of which all but 200 are Verizon jobs - could be impacted by this merger. At an uneven time in our economy, I am anxious about a merger that will cut jobs. In fact, last November the CEO of Frontier publicly admitted last November that the company plans to cut jobs in an effort to achieve a cost savings of \$500 million a year. Any transaction that could impair vital services to West Virginians, while simultaneously cutting jobs is unacceptable.

In closing, I would urge the Commission to hold a hearing to consider the serious issues raised by this transaction. As the Commission moves forward with this review, I am confident that the Commission will make every effort to address these concerns and protect consumers by ensuring that the acquiring company has the financial strength to maintain and improve service.

Most sincerely,



Alan B. Mollohan

ABM:mm

cc: Commissioners Michael J. Copps, Robert M. McDowell, Mignon Clyburn, Meredith Attwell Baker



Hon. Alan B. Mollohan
U.S. House of Representatives
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Facsimile Cover Sheet

Date: April 16, 2010

To: Chairman Genachowski

From: Office of Congressman Alan B. Mollohan

Number of Pages (including cover): 3

Re: Verizon- Frontier Application

Please see the enclosed letter. The hard copy was mailed today.

If you have any questions or concerns, please do not hesitate to contact our DC office at 202-225-4172

Thank you!



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2010

The Honorable Alan B. Mollohan
U.S. House of Representatives
2302 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Mollohan:

Thank you for sharing your concerns with me about the proposed transfer of control of Verizon assets to Frontier Communications. Other parties expressed similar concerns, and the Commission considered very carefully the potential impact of this proposed transaction on competition, commerce, jobs, and service quality.

The problematic examples that you highlight in your letter – the transactions in Hawaii and New England – inform the Commission's examination of new transfers such as Verizon-Frontier. But based on our review, considering the issues and concerns with the status quo path and Frontier's enforceable commitments to be good stewards of this vital infrastructure on behalf of consumers in its regions, the Commission concluded that on balance the likely public-interest benefits outweighed the potential public-interest harms. On May 21, 2010, the Commission adopted an *Order* approving the transaction subject to Verizon and Frontier's enforceable, voluntary commitments.

We made your letter part of the record in the Verizon-Frontier proceeding, WC Docket No. 09-95. I appreciate your interest in this matter. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,



Julius Genachowski